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OFFICE OF PETITIONS

In re Patent of Vladimir B. Brik :
Patent No. 6,647,747 :
Issue Date: November 18, 2003 :
Application No. 09/685,204 :
Filing Date: October 10, 2000 :
Attorney Docket No. 033246-0178 :

Decision on Petition

This is a decision on the petition under 37 C.F.R. § 1.378(b) filed May 19, 2011, to reinstate the above-identified patent.

The petition is **DISMISSED**.

Facts

The instant patent issued November 18, 2003.

Vladimir B. Brik is the sole patentee.

The 3.5 year maintenance fee could have been paid from November 18, 2006, to May 18, 2007, or with a surcharge from May 19, 2007, to Monday, November 19, 2007. The fee was not paid. As a result, the patent expired November 19, 2007.

Brik executed an assignment on December 26, 2007. The assignment states Brik "owns the entire right, title and interest in and to" the patent and assigns all of Brik's rights in the patent to the Basalt International Corporation ("BIC"). A copy of the assignment was recorded with the Office at Reel/Frame 020478/0136 on February 5, 2008.

BIC executed an assignment on January 15, 2008. The assignment states BIC "owns the entire right, title and interest in and to" the patent and assigns all of BIC's rights in the patent to Blackbull AS ("BB"). A copy of the assignment was recorded with the Office at Reel/Frame 020478/0599 on February 5, 2008. A review of the assignment document appears to indicate Fridtjof Falck signed the document on behalf of BB.

Law

A grantable petition under 37 C.F.R. § 1.378(b) must be accompanied by a showing to the satisfaction of the Director that the entire delay in paying the required maintenance fee from the due date for the fee until the filing of a grantable petition pursuant to this paragraph was unavoidable.

In order for a party to show unavoidable delay, the party must show "reasonable care was taken to ensure that the maintenance fee would be promptly paid."¹ The level of "reasonable care" required to be shown is the same as the level of "care or diligence ... generally used and observed by prudent and careful men in relation to their most important business."² When determining if a period of delay has been shown to have been unavoidable, the Office will take "all the facts and circumstances into account" and will decide each petition "on a case-by-case basis."³

35 U.S.C. § 41(c)(1) states, with emphasis added, "The Director may accept the payment of any maintenance fee . . . after the six month grace period if the delay is *shown to the satisfaction of the Director* to have been unavoidable." Therefore, petitioner has the burden of proof. The decision will be based solely on the written, administrative record in existence. A petition will not be granted if petitioner provides insufficient evidence to "show" that the delay was unavoidable.

The Office and Congress have recognized the unavoidable standard can be very difficult to meet. During 1992, Congress considered the difficulty involved in reinstating a patent under the unavoidable. Congressional representatives described the unavoidable standard as inflexible, extremely hard to meet, too stringent and harsh.⁴ Congress did NOT take steps to make the unavoidable standard more flexible, easier to meet, less stringent, or less harsh. Instead, Congress determined that it would allow patent owners the ability to reinstate a patent under an "unintentional" standard as long as the petition was filed within 24 months of the expiration of the patent. Congress chose to continue requiring proof of unavoidable delay for petitions filed after the 24 month time period.

¹ 37 C.F.R. § 1.378(b).

² *In re Mattulath*, 38 App. D.C. 497, 514-15 (D.C. Cir. 1912). See also *Ray v. Lehman*, 55 F.3d 606, 34 U.S.P.Q.2d (BNA) 1786 (Fed. Cir. 1995) (citations omitted) ("[I]n determining whether a delay in paying a maintenance fee was unavoidable, one looks to whether the party responsible for payment of the maintenance fee exercised the due care of a reasonably prudent person.")

³ *Smith v. Mossinghoff*, 671 F.2d 533, 538, 213 U.S.P.Q. (BNA) 977 (D.C. Cir. 1982).

⁴ "[The unavoidable] standard has been found to be extremely hard to meet. Some patent owners have lost their patent rights due to this inflexible standard." 138 CONG. REC. S16613, 16614 (September 30, 1992) (Rep. DeConcini) (emphasis added). "The unavoidable standard has proved to be too stringent in many cases." 138 CONG. REC. H1115 (October 3, 1992) (Rep. Hughes) (emphasis added). "The unavoidable standard is 'too stringent'. Some patent owners have lost their patent rights due to circumstances that do not warrant this harsh result, but that could not be considered 'unavoidable' under current law." 138 CONG. REC. E1688 (June 4, 1992) (extension of remarks of Rep. McCollum) (emphasis added).

Discussion

When considering the issue of reinstatement of a patent, the Office must consider the conduct of the owner of the patent.⁵

Brik executed an assignment transferring ownership of the patent from Brik to BIC on December 26, 2007, and BIC executed an assignment transferring ownership of the patent to BB on January 15, 2008. Therefore, Brik appears to have owned the patent as of November 19, 2007, the date the patent expired. Despite these facts, Falck's declaration appears to contend BB, not Brik, owned the patent as of the date the patent expired. Specifically, Falck's declaration appears to contend BB obtained ownership of the patent on October 29, 2007, when BB and Pentagon Holding AS ("Pentagon") executed an agreement transferring ownership of the patent from Pentagon to BB. The record fails to indicate Pentagon has ever owned any rights in the patent. Therefore, Pentagon could not have transferred ownership of the patent to BB and Falck's declaration is insufficient to establish BB owned the patent on any date prior to January 15, 2008. In view of the prior discussion, the instant decision assumes Brik owned the patent when the patent expired. If a request for reconsideration is filed, and the request includes an assertion BB owned the patent when the patent expired, the request should include a full *and clear* discussion of the basis for the assertion and documentary evidence substantiating the assertion.

Brik owned the patent until December 26, 2007, which was after the patent expired. Therefore, the Office must consider Brik's conduct when determining if the record establishes the expiration of the patent was unavoidable.

37 C.F.R. § 1.378(b) requires a party to "enumerate the steps taken to ensure timely payment of the maintenance fee." In other words, a failure by a party to take, or obligate another party to take, steps to ensure timely payment of maintenance fees, will "preclude acceptance of the delayed payment of the maintenance fee under 37 CFR 1.378(b)(3)."⁶ "In view of the requirement to enumerate the steps taken to ensure timely payment of the maintenance fee, [a] patentee's lack of knowledge of the need to pay the maintenance fee ... [will] not constitute unavoidable delay."⁷

The Court of Appeals for the Federal Circuit has recognized the requirement for a showing of steps taken to ensure timely payment of a maintenance fee is reasonable. In *Ray v. Lehman*,⁸ the court stated,

Ray also takes issue with the PTO's regulation . . . arguing that it "creates a burden that goes well beyond what is reasonably prudent." We disagree. The PTO's regulation merely sets forth how one is to prove that he was reasonably prudent, i.e., by showing

⁵ See *Kim v. Quigg*, 718 F.Supp. 1280, 1284 (E.D. Va. 1989).

⁶ Manual of Patent Examining Procedure ("MPEP") § 2590 (8th ed., Rev. 8, July 2010).

⁷ *Id.* (citations omitted).

⁸ 55 F.3d 606, 609, 34 U.S.P.Q.2d (BNA) 1786 (Fed. Cir. 1995).

what steps he took to ensure that the maintenance fee would be timely paid, and the steps taken in seeking to reinstate the patent. We do not see these as requirements additional to proving unavoidable delay, but as the very elements of unavoidable delay.⁹

In this case, Brik owned the patent at the time the patent expired. Therefore, a showing of unavoidable delay must establish Brik took steps, or obligated another party to take steps, to ensure maintenance fees would be timely paid for the patent. The record fails to establish Brik took steps, or obligated another party to take steps, to ensure maintenance fees would be timely paid for the patent. Therefore, the record is insufficient to demonstrate the failure to timely pay the maintenance fee was unavoidable.

A grantable petition under 37 C.F.R. § 1.378(b) must establish the entire delay in the submission of the maintenance fee was unavoidable. The petition states the assignee learned of the patent's expiration "in early 2010." The petition to reinstate the patent was not filed June 10, 2011. The record fails to provide an explanation for the assignee taking more than a year to file the petition. Therefore, the petition fails to establish the entire delay in the submission of the maintenance fee was unavoidable.

Pursuant to 37 C.F.R. § 1.378(b), a petition must identify the date the expiration of the patent was discovered. The date is important because the petition must establish the entire time period from the date until the filing of the petition was unavoidable. If a request for reconsideration is filed, the request should identify the specific date the assignee learned the patent had expired.

In view of the prior discussion, the showing of record is not sufficient to establish that the entire delay in payment of the 3.5 year maintenance fee was unavoidable within the meaning of 37 C.F.R. § 1.378(b).

Petitioner's Current Options

I. Petitioner may file a request for reconsideration.

Any request for reconsideration must be submitted within **TWO (2) MONTHS** from the mail date of this decision and include a non-refundable petition fee of \$400. Extensions of time under 37 C.F.R. § 1.136(a) are NOT permitted. The reconsideration request should include a cover letter entitled "Renewed Petition under 37 C.F.R. § 1.378(b)." This is **not** a final agency action within the meaning of 5 U.S.C. § 704.

After a decision on the petition for reconsideration is issued, no further reconsideration or review of the matter will be undertaken by the Director. Therefore, it is extremely important that petitioner supply **any** and **all** relevant information and documentation with his request for reconsideration. The Commissioner's decision will be based solely on the administrative record in existence. Petitioner should remember that it is not enough that the delay was unavoidable; petitioner must prove that the delay was unavoidable. A petition will not be granted if petitioner provides insufficient evidence to "show" that the delay was unavoidable. Therefore, if a request

⁹ *Id.* at 609.

for reconsideration is filed, it must establish that the entire delay in the submission of the maintenance fee was unavoidable.

II. Petitioner may request a refund of the maintenance fees and surcharge filed with the petition.

Since the petition is dismissed, petitioner may request a refund of the maintenance fee and surcharge. Petitioner is reminded that if a request for reconsideration is later filed along with the \$400 fee, the \$400 will not be refunded. A request for a refund should be sent to: Mail Stop 16, Commissioner for Patents, P.O. Box 1450, Alexandria, VA 22313-1450. A copy of this decision should accompany any request for refund.

Further correspondence with respect to this matter may be submitted as follows:

By Internet: A request for reconsideration may be filed electronically using EFS Web.¹⁰ Document Code "PET.OP" should be used if the request is filed electronically.

By mail: Mail Stop Petition
Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

By facsimile: (571) 273-8300
Attn: Office of Petitions

By hand: U.S. Patent and Trademark Office
Customer Service Window
Randolph Building
401 Dulany Street
Alexandria, VA 22314

Telephone inquiries regarding this communication should be directed to Petitions Attorney Steven Brantley at (571) 272-3203.



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¹⁰ General Information concerning EFS Web can be found at <http://www.uspto.gov/patents/process/file/efs/index.jsp>.